

ning of the war in Europe: In 1939-1940 Germany purchased more than 90 per cent of all Iranian exported wool.

In the field of food supplies Iranian exports to Germany included grain, fruit, and rice. In 1940-1941 Germany purchased in Iran nearly 1,700 tons of wheat and barley. These vital food supplies reached Germany in the first years of World War II when the Reich was blockaded by the Western Allies. Russia served as a transit route.

In order to facilitate commercial exchange between Germany and Iran a clearing agreement was concluded in 1935 and renewed in 1939. According to this agreement Iranian importers of German goods were to pay the price of purchased merchandise to the Bank-i-Melli in Teheran, whereas German importers were to pay to the Deutsche Verrechnungskasse in Berlin. German and Iranian exporters were, in turn, entitled to receive money from these two institutions. The general Iranian regulation that importers had to obtain import licenses did not apply to their dealings with Germany. The only document required in this case was the certificate of origin of merchandise. Thus the German-Iranian clearing agreement gave a privileged position to the trade between the two countries.

To stress the importance attached to this trade in Berlin and Teheran, special institutions dedicated to it were established in both countries. An Iranian-German Clearing Office was created in the Iranian Ministry of Trade. In Berlin the German-Iranian Chamber of Commerce published a monthly *Mitteilungen* and a quarterly *Bulletin der Deutsch-Iranischen Handekammer*. In 1937^a a commercial company, *Afshar A. Shoyegan*, was created in Teheran with a

capital of 1,000,000 rials. It devoted itself exclusively to the trade between Germany and Iran.

3. *German Cultural and Political Penetration*

In addition to commercial exchanges Nazi Germany laid great stress on cultural and political influence in Iran. This constituted a part of a wider program embracing the whole of the Middle East. This program was carried out with particular intensity in the middle thirties, when an impressive number of German cultural institutions devoted their time to the study of Eastern problems.

The most important among these institutions was the Deutsche